

## REMARKS

This application has been reviewed in light of the Office Action dated April 10, 2008. Claims 1-10 are presented for examination, of which Claims 1 and 10 are in independent form. Claims 1, 5, 9 and 10 have been amended to define Applicant's invention more clearly. Favorable reconsideration is requested.

The Office Action states that Claims 1, 6-7 and 9-10 are rejected under 35 U.S.C. § 102(b) as being anticipated by U.S. Patent No. 6,128,599 (*Walker et al.*); that Claims 2-5, and 8 are rejected under § 103(a) as being unpatentable over *Walker et al.* in view of Official Notice. Applicants submit that independent Claims 1-10, together with the claims dependent thereon, are patentably distinct from the cited prior art for at least the following reasons.

The aspect of the present invention set forth in amended Claim 1 is directed to a system including a financier and a merchant for facilitating distribution of incentives from a merchant to a parent. The financier is in communication with said merchant, which is in communication with a subsidiary, and the subsidiary is financially related to a parent. The financier facilitates the receipt, maintenance and provision of incentive information regarding one or more incentives to be provided to the parent, where the incentives are configured to encourage one or more behaviors by the subsidiary. The merchant receives financial information from the subsidiary, forwards the financial information to the financier, receives the incentive information from the financier, and provides one or more incentives to the parent. The incentives are based at least in part on said incentive information. The parent forwards the incentives to the subsidiary.

An important feature of Claim 1 is that “said parent is constructed to forward said one or more incentives to the subsidiary.” By virtue of this feature the parent is the gateway

through which rewards are provided to its subsidiaries. The system thus encourages compliance of subsidiaries with the policies established by the parent, while the financier maintains data relating to financial accounts, parents, subsidiaries, clients, merchants, goods, services, incentives, and methodologies and/or algorithms for determining incentives.

As understood by Applicants, *Walker et al.* is concerned with defining, managing and evaluating group reward offers which are customized based on specific criteria of affiliated account holders and presenting the reward offers to the account holders and an affinity group sponsor. Referring to FIGs. 1 and 2 of *Walker et al.*, the *Walker et al.* system uses a credit card issuer central controller (“CCI”) 200 to receive and transmit information from/to a sponsor 110 and an affinity group 118. *See* Col. 3, line 55 to col. 5, line 27 and FIGs. 1 and 2. The CCI 200 accesses stored data associated with the affinity group 118 to determine a performance target and an associated reward, and selects a reward to offer sponsor 110 if credit card holders 112 of group 118 behave in accordance with the performance target. Notably, as shown in FIG. 1, this customized group reward offer, including the performance target, the reward and a target period is preferably transmitted to both sponsor 110 and affiliated credit card holders 112. CCI 200 transmits benefit information to the sponsor, such as data related to an electronic funds transfer, a monthly statement or a third party acting on behalf of the affinity group sponsor (*e.g.*, frequent flyer program administrator) 110 as well. *Id.*

Nothing has been found in *Walker et al.* that is believed to teach, suggest or otherwise result in a parent constructed to “forward said one or more incentives to the subsidiary,” as recited in Claim 1. Indeed, as described in *Walker et al.* credit card issuer central controller CCI 200 transacts either directly with the affinity group members or the affinity group sponsor.

Accordingly, Applicants submit that Claim 1 is not anticipated by *Walker et al.*, and respectfully request withdrawal of the rejection under 35 U.S.C. § 102(b). Independent Claim 10 includes a feature similar to that discussed above with respect to Claim 1 and is therefore also believed to be patentable for at least the same reasons as discussed above.

The other rejected claims in this application depend from one or another of the independent claims discussed above and, therefore, are submitted to be patentable for at least the same reasons. Since each dependent claim is also deemed to define an additional aspect of the invention, individual reconsideration of the patentability of each claim on its own merits is respectfully requested.

In view of the foregoing amendments and remarks, Applicants respectfully request favorable reconsideration and early passage to issue of the present application.

No petition to extend the time for response to the Office Action is deemed necessary for this Amendment. If, however, such a petition is required to make this Amendment timely filed, then this paper should be considered such a petition and the Commissioner is authorized to charge the requisite petition fee to Deposit Account 50-3939.

## CONCLUSION

Applicants' undersigned attorney may be reached in our New York Office by telephone at (212) 218-2100. All correspondence should continue to be directed to our address listed below.

Respectfully submitted,

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